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ISRAEL SETTING UP SPY CASE INQUIRY



By THOMAS L. FRIEDMAN Special to The New York Times

JERUSALEM, March 11 — After an eight-hour debate, the Israeli Cabinet announced today that it was setting up a two-member "investigation commission" on the Israeli espionage operation in Washington.

Officials indicated that the move was primarily intended to restore Israel's credibility with the United States Government and American Jews after the Jonathan Jay Pollard affair.

Government officials said the committee, which will not have the legal powers of a formal commission of inquiry as set down by Israeli law, would seek to "clarify" what happened in the Washington espionage affair and to advise the Government what to do about the officials involved.

The committee will be made up of a former army Chief of Staff, Zvi Tzur, and a retired Supreme Court Judge, Moshe Landau, if he accepts, officials said.

First Such Inquiry

The decision today was made by the inner Cabinet, which comprises 10 leading Labor and Likud ministers in the national unity Government. It marks the first time since Mr. Pollard, a former Navy intelligence analyst, was arrested in November 1985 on charges of spying for Israel that the Israeli Government has agreed to establish any kind of independent body to investigate the affair, which it insisted was a "rogue" espionage operation.

Mr. Pollard was sentenced in the United States last week to life imprisonment.

Israeli officials made no attempt to conceal that the main audience for the committee was not in Israel but in the United States. There, they believe, Israel's credibility has been badly damaged by its handling of the spy scandal and its decision to promote the two principal Israeli organizers of the espionage operation — Rafael Eitan and Col. Aviem Sella of the air force.

Speaking of the Pollard affair and its implications, the Cabinet statement today said: "Due to the significance of this event, the Cabinet has decided to assemble a two-man investigation commission. It will submit its report to the Cabinet."

As Israeli official said, "We would not be doing this if we didn't feel a need to restore credibility with America and American Jews."

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'Credibility Gap' Cited

Another senior official said, "We have a credibility gap with America and our own public, and we are trying to close it."

How effective the investigation committee will be at ascertaining exactly what happened is not clear, since it was not invested with the legal standing of a formal inquiry. That means it will have no subpoena powers and no power to compel anyone to testify under oath. Its recommendations, which it is expected to submit in a matter of weeks, would not be pinding on the Government.

At the same time, however, the former officials named to the committee are both men of stature in Israel, who would be unlikely to agree to be rubber stamps for the Israeli Cabinet. The commission will also have a moral weight that would be difficult for the Israeli Cabinet to ignore.

The committee has several purposes, senior officials said.

It is intended to give the appearance to the Israeli public, the American Government and American Jews that Israel is taking the spy scandal and its implications very seriously, the official said.

Complaints From Parliament

Also, it is intended to defuse complaints from the Parliament that only Israel's three top leaders — Prime Minister Yitzhak Shamir, Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin — are informed as to what happened in the Pollard affair and are making all the decisions themselves, when they actually may have been implicated. Now an independent body will be allowed to examine the case and recommend to the Government what to do.

In addition, the Cabinet announced today that it would assist the Parliament's seven-member subcommittee on intelligence, headed by Abba Eban, in the hearings it plans to hold in the next few weeks on the Pollard affair.

The committee could play its most important role in taking measures against officials responsible for the Pollard affair, senior officials said.

"At this stage in the game, the Cabinet could not fire Aviem Sella and Rafi Eitan without there being a huge public outcry here that the politicians were once again putting all the blame on the operational level," a senior official said. "By establishing this committee, the political echelon is creating an independent body that would have cred-

ibility with the public and could legitimately recommend the dismissal of officials responsible for this affair."

The official spokesman of the Israeli Army, Brig. Gen. Ephraim Lapid, announced today that the armed forces had nothing to do with Colonel Sella's activities. There has been much speculation recently in the Israeli press that Colonel Sella's espionage in the United States, where he was supposed to be on a study leave, had at least the approval of the head of the air force, Maj. Gen. Amos Lapidot, if not that of the army Chief of Staff, Lieut. Gen. Moshe Levy, or Cabinet members.

American military officials have decided to boycott Tel Nof Air Base here as long as Colonel Sella remains in command of it.

"Cooperation between Israel and the United States is of the utmost importance to the Israel Defense Forces," General Lapid was quoted as telling the Israeli radio. "The I.D.F. takes every opportunity to clarify to the Americans that the I.D.F. is not connected in any way to the Pollard affair."

He added that Colonel Sella's involvement in the Pollard operation was not in his capacity as a military officer.